

House File 2441 - Introduced

HOUSE FILE 2441
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 650)

A BILL FOR

1 An Act relating to school district funding and the authorized
2 purposes for the expenditure of school district funding, and
3 including effective date and applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. **256.9A** Limitation on guidance and
2 interpretations.

3 1. For the purposes of this section, "guidance" means a
4 document or statement issued by the department, the state
5 board, or the director that purports to interpret a law, a
6 rule, or other legal authority and is designed to provide
7 advice or direction to a person regarding the implementation
8 of or compliance with the law, the rule, or the other legal
9 authority being interpreted.

10 2. The department, the state board, or the director shall
11 not issue guidance inconsistent with any statute, rule, or
12 other legal authority and shall not issue guidance that imposes
13 any legally binding obligations or duties upon any person
14 unless such legally binding obligations or duties are required
15 or reasonably implied by any statute, rule, or other legal
16 authority.

17 3. This section shall not apply to a rule adopted pursuant
18 to chapter 17A, a declaratory order issued pursuant to section
19 17A.9, a document or statement required by federal law or a
20 court, or a document or statement issued in the course of a
21 contested case proceeding, an administrative proceeding, or a
22 judicial proceeding to which the department, the state board,
23 or the director is a party.

24 4. Guidance issued by the department, the state board, or
25 the director in violation of subsection 2 shall not be deemed
26 to be legally binding.

27 Sec. 2. Section 257.10, subsection 11, paragraph d, Code
28 2018, is amended to read as follows:

29 *d.* ~~The use of the funds calculated under this subsection~~
30 ~~shall comply with the requirements of chapter 256D~~ may be used
31 for any school general fund purpose.

32 Sec. 3. Section 257.31, subsection 16, Code 2018, is amended
33 to read as follows:

34 16. The committee shall perform the duties assigned to it
35 under sections 257.32, 257.40, and 260C.18B.

1 Sec. 4. Section 257.38, subsection 1, unnumbered paragraph
2 1, Code 2018, is amended to read as follows:

3 Boards of school districts, individually or jointly with
4 boards of other school districts, requesting to use a modified
5 supplemental amount for costs in excess of the amount received
6 under section 257.11, subsection 4, for programs for at-risk
7 students, secondary students who attend alternative programs
8 and alternative schools, and returning dropouts and dropout
9 prevention, shall ~~submit~~ approve, by resolution, comprehensive
10 program plans for the programs and budget costs, including
11 annual requests for a modified supplemental amount for funding
12 the programs, ~~to the department of education as a component~~
13 ~~of the comprehensive school improvement plan submitted to the~~
14 ~~department pursuant to section 256.7, subsection 21~~. The
15 program plans shall include:

16 Sec. 5. Section 257.38, subsection 1, paragraph j, Code
17 2018, is amended by striking the paragraph.

18 Sec. 6. Section 257.38, subsection 2, Code 2018, is amended
19 to read as follows:

20 2. Program plans shall identify the parts of the plan that
21 will be implemented first upon ~~approval~~ adoption of the ~~request~~
22 program plan. If a district is requesting to use a modified
23 supplemental amount to finance the program, the school district
24 shall ~~not identify more than five percent of~~ include in the
25 request the number of students in its budget enrollment for
26 the budget year identified as returning dropouts and potential
27 dropouts.

28 Sec. 7. Section 257.40, Code 2018, is amended to read as
29 follows:

30 ~~257.40 Approval of programs for at-risk pupils, alternative~~
31 ~~programs and schools, and returning dropouts and dropout~~
32 ~~prevention requests for modified supplement amounts for adopted~~
33 program plans.

34 The board of directors of a school district requesting
35 to use a modified supplemental amount for costs in excess of

1 the funding received under section 257.11, subsection 4, for
2 programs for at-risk students, secondary students who attend
3 alternative programs and alternative schools, or returning
4 dropouts and dropout prevention shall submit requests for
5 a modified supplemental amount, including budget costs, to
6 the ~~department~~ school budget review committee not later than
7 ~~December 15~~ November 1 of the year preceding the budget year
8 during which the program will be offered. The ~~department~~
9 school budget review committee shall review the request and
10 shall prior to January 15 either grant approval for the request
11 ~~or~~ if the amount requested does not exceed an amount equal
12 to the limitation of section 257.41, subsection 3, minus any
13 funds for the adopted program carried forward to the budget
14 year. The board of directors shall certify by resolution that
15 the request complies with the school district's adopted program
16 plan. Only if the request violates the school district's
17 adopted program plan may the school budget review committee
18 return the request for approval with comments of the ~~department~~
19 committee included. An unapproved request for a program may
20 be resubmitted with modifications to the ~~department~~ school
21 budget review committee not later than February 1. Not later
22 than February 15, the ~~department~~ school budget review committee
23 shall notify the department of management and ~~the school budget~~
24 ~~review committee~~ of the names of the school districts for which
25 programs using a modified supplemental amount for funding have
26 been approved and the approved budget of each program listed
27 separately for each school district having an approved request.
28 If requested, the board of directors shall provide the adopted
29 program plan for any audit performed under chapter 11 or other
30 provision of law.

31 Sec. 8. Section 257.41, subsection 1, Code 2018, is amended
32 to read as follows:

33 1. *Budget.* The budget of an ~~approved~~ adopted program for
34 at-risk students, secondary students who attend alternative
35 programs or alternative schools, or returning dropouts and

1 dropout prevention for a school district, after subtracting
2 funds received under [section 257.11, subsection 4](#), paragraphs
3 "a" through "c", and from other sources for that purpose,
4 including any previous carryover or amount designated from the
5 school district's flexibility account under [section 298A.2,](#)
6 [subsection 2](#), shall be funded annually on a basis of one-fourth
7 or more from the district cost of the school district and up to
8 three-fourths through establishment of a modified supplemental
9 amount. Annually, the department of management shall establish
10 a modified supplemental amount for each such school district
11 equal to the difference between the approved budget for the
12 program for that district and the sum of the amount funded from
13 the district cost of the school district plus funds received
14 under [section 257.11, subsection 4](#), and from other sources
15 for that purpose, including any previous carryover or amount
16 designated from the school district's flexibility account under
17 [section 298A.2, subsection 2](#).

18 Sec. 9. [Section 257.41, subsection 2, unnumbered paragraph](#)
19 [1, Code 2018](#), is amended to read as follows:

20 Appropriate uses of the funding for an ~~approved~~ adopted
21 program include but are not limited to the following:

22 Sec. 10. [Section 257.41, subsection 2, paragraphs a and b,](#)
23 [Code 2018](#), are amended to read as follows:

24 *a.* Salary and benefits for staff including but not
25 limited to instructional staff, instructional support staff,
26 administrative staff, and guidance counselors, salary and
27 benefits or contract payments for psychologists licensed
28 under chapter 154B, licensed independent social workers or
29 master social workers under chapter 154C, licensed mental
30 health counselors under chapter 154D, and salary and benefits
31 for school-based youth services staff who are working with
32 ~~students who are participating in at-risk or dropout prevention~~
33 ~~programs, alternative programs, and alternative schools, in a~~
34 ~~traditional or alternative setting, or who are working with~~
35 students who are participating in such programs or schools,

1 if ~~the staff~~ such person's or counselor's time is dedicated
 2 to working with the program or with such students in order to
 3 provide services beyond those which are provided by the school
 4 district to students who are not participating in such programs
 5 or alternative schools. However, if ~~the staff~~ such person or
 6 ~~counselor~~ works part-time with students who are participating
 7 in a program or alternative school and the ~~staff person or~~
 8 ~~counselor~~ has another unrelated ~~staff~~ assignment, only the
 9 portion of the ~~staff person's or counselor's~~ time that is
 10 related to the program or alternative school may be charged to
 11 the program or school. For each such ~~staff person or counselor~~
 12 who works part time or on a contract basis with the program or
 13 with students who are participating in a program or alternative
 14 school, the school district shall have the authority to
 15 designate the portion of the ~~staff person's or counselor's~~ time
 16 and the corresponding amount of salary and benefits or contract
 17 payment amount that is related to the program or alternative
 18 school and shall include such designation as part of the
 19 program plan under [section 257.38](#), if applicable. For purposes
 20 of this paragraph, if an alternative setting is necessary
 21 to provide for a program which is offered at a location off
 22 school grounds and which is intended to serve student needs by
 23 improving relationships and connections to school, decreasing
 24 truancy and tardiness, providing opportunities for course
 25 credit recovery, or helping students identified as at risk
 26 to accelerate through multiple grade levels of achievement
 27 within a shortened time frame, the tuition costs for a student
 28 identified as at risk shall be considered an appropriate use of
 29 the program funding under [this section](#).

30 *b.* Professional development for all teachers, counselors,
 31 and staff identified in paragraph "a" who are working with
 32 at-risk students under a program or an alternative school
 33 setting.

34 Sec. 11. Section 257.41, subsection 2, Code 2018, is amended
 35 by adding the following new paragraph:

1 NEW PARAGRAPH. *f.* Any purpose determined by the board of
2 directors that directly benefits students participating in the
3 adopted program.

4 Sec. 12. Section 297.22, subsection 2, paragraph b, Code
5 2018, is amended to read as follows:

6 *b.* The board of directors of a school district may lease a
7 portion of an existing school building ~~in which the remaining~~
8 ~~portion of the building will be used for school purposes~~
9 ~~for a period of not to exceed five years~~ or lease a portion
10 of existing school property. The lease may be renewed at
11 the option of the board. The notice and public hearing
12 requirements of [subsection 1](#) of [this section](#) do not apply to
13 the lease of a portion of an existing school building. A
14 school district shall pay out of the revenue from a lease to
15 the state of Iowa, and to the city, school district and any
16 other political subdivision authorized to levy taxes, an amount
17 as determined by [this section](#). The amount shall be determined
18 by applying the annual tax rate of the taxing district to the
19 assessed value of the portion of the building leased, prorated
20 for the term of the lease during the appropriate taxing period.
21 The provisions of [this section](#) relating to the payment of
22 property tax because of leases shall only apply to leases to
23 private, for-profit entities which lease a portion of a school
24 building for a period of thirty or more consecutive days,
25 but shall not apply to property or equipment leased as part
26 of a project designed to generate electricity for the school
27 district.

28 Sec. 13. Section 298A.8, subsection 2, Code 2018, is amended
29 to read as follows:

30 2. For school budget years beginning on or after July 1,
31 2016, the board of directors of a school corporation may,
32 by board resolution, transfer from the school corporation's
33 general fund to the student activity fund an amount necessary
34 to purchase or recondition protective and safety equipment
35 required for any extracurricular interscholastic athletic

1 contest or competition that is sponsored or administered by an
2 organization as defined in [section 280.13](#).

3 Sec. 14. EFFECTIVE DATE. The following, being deemed of
4 immediate importance, take effect upon enactment:

5 1. The section of this Act enacting section 256.9A.

6 2. The section of this Act amending section 257.10,
7 subsection 11.

8 3. The section of this Act amending section 297.22,
9 subsection 2, paragraph "b".

10 4. The section of this Act amending section 298A.8,
11 subsection 2.

12 Sec. 15. APPLICABILITY. The following apply to school
13 budget years beginning on or after July 1, 2018:

14 1. The section of this Act enacting section 256.9A.

15 2. The section of this Act amending section 257.10,
16 subsection 11.

17 3. The section of this Act amending section 297.22,
18 subsection 2, paragraph "b".

19 4. The section of this Act amending section 298A.8,
20 subsection 2.

21 Sec. 16. APPLICABILITY. The following apply to school
22 budget years beginning on or after July 1, 2019:

23 1. The section of this Act amending section 257.31,
24 subsection 16.

25 2. The section of this Act amending section 257.38,
26 subsection 1, unnumbered paragraph 1.

27 3. The section of this Act amending section 257.38,
28 subsection 1, paragraph "j".

29 4. The section of this Act amending section 257.38,
30 subsection 2.

31 5. The section of this Act amending section 257.40.

32 6. The section of this Act amending section 257.41,
33 subsection 1.

34 7. The section of this Act amending section 257.41,
35 subsection 2, unnumbered paragraph 1.

1 8. The section of this Act amending section 257.41,
2 subsection 2, paragraphs "a" and "b".

3 9. The section of this Act enacting section 257.41,
4 subsection 2, paragraph "f".

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

8 This bill relates to school district funding and the
9 authorized purposes for the expenditure of school district
10 funding for various education programs.

11 Current Code section 257.10(11) establishes an early
12 intervention categorical funding supplement for school
13 districts and requires the use of such funds to comply with
14 the requirements of Code chapter 256D (Iowa early intervention
15 block grant program). Code chapter 256D requires school
16 districts to expend funds for class size reduction and for
17 uses intended to achieve a higher level of student success
18 in the basic skills, especially reading. Under current law,
19 Code chapter 256D is repealed effective July 1, 2018. The
20 bill changes the purposes for which the early intervention
21 categorical funding supplement may be expended to be any school
22 general fund purpose.

23 The section of the bill amending Code section 257.10(11)
24 takes effect upon enactment and applies to school budget years
25 beginning on or after July 1, 2018.

26 Under current law, school districts are required to submit
27 to the department of education for approval program plans and
28 requests for a modified supplemental amount for programs for
29 at-risk students, secondary students who attend alternative
30 programs and alternative schools, and returning dropouts and
31 dropout prevention. The bill strikes the requirement for
32 submission to and approval by the department of education and
33 instead allows such program plans to be approved by resolution
34 of the school district board of directors. The bill also
35 removes other factors required by the department of education

1 from the list of requirements for program plans. When the
2 board of directors of a school district requests to use a
3 modified supplemental amount for the excess cost of an adopted
4 program, the bill requires such a request to be submitted to
5 the school budget review committee instead of the department
6 of education.

7 Current law provides that if a school district is requesting
8 to use a modified supplemental amount to finance the program,
9 the school district shall not identify more than 5 percent
10 of its budget enrollment for the budget year as returning
11 dropouts and potential dropouts. The bill strikes the 5
12 percent limitation and requires the school district to include
13 the number of students identified as returning dropouts and
14 potential dropouts in its request for the modified supplemental
15 amount. The deadline for filing requests for a modified
16 supplemental amount is also moved from December 15 to November
17 1 of the year preceding the applicable budget year.

18 Requests for a modified supplemental amount under the bill
19 are required to be approved if the request does not exceed
20 the modified supplemental amount limitations under current
21 law minus any funds for the adopted program carried forward
22 to the budget year. The bill requires the board of directors
23 to certify by resolution that the request complies with the
24 school district's adopted program plan. Only if the request
25 violates the school district's adopted program plan may the
26 school budget review committee return the request to the school
27 district for revision and resubmission. The bill requires the
28 school board, if requested, to provide the school district's
29 adopted program plan for any audit performed under Code chapter
30 11 or other provision of law.

31 The bill adds the salary and benefits for staff including
32 but not limited to administrative staff and guidance counselors
33 and salary and benefits or contract payments for psychologists
34 licensed under Code chapter 154B, licensed independent social
35 workers or master social workers under Code chapter 154C,

1 licensed mental health counselors under Code chapter 154D,
2 who are working with at-risk or dropout prevention programs,
3 alternative programs, and alternative schools, in a traditional
4 or alternative setting, or who are working with students who
5 are participating in such programs or schools, to the list of
6 permissible uses of funding. The professional development
7 costs for those additional staff and counselors are also added
8 to the list of permissible funding uses. In addition, the bill
9 authorizes the expenditure of such funding for any purpose
10 determined by the board of directors that directly benefits
11 students participating in the adopted program.

12 The bill amends provisions relating to the authority
13 of a school board to lease a portion of an existing school
14 building under Code section 297.22 by striking a five-year
15 lease duration limitation and providing that certain provisions
16 relating to the payment of property taxes because of leases do
17 not apply to property or equipment leased as part of a project
18 designed to generate electricity for the school district.

19 Current Code section 298A.8 allows a school district board
20 of directors, by resolution, to transfer funds from the school
21 district's general fund to the student activity fund an amount
22 necessary to purchase protective and safety equipment required
23 for any extracurricular interscholastic athletic contest
24 or competition. The bill adds the reconditioning of such
25 protective and safety equipment to the list of purposes for
26 which such a transfer is permitted.

27 The bill enacts Code section 256.9A, which prohibits the
28 department of education, the state board of education, and the
29 director of the department of education from issuing guidance,
30 as defined in the bill, that imposes a legal obligation or
31 duty on a person unless the obligation or duty is required or
32 reasonably implied by law, rule, or other legal authority.
33 Guidance issued in violation of the prohibition is not legally
34 binding. This provision does not apply to administrative
35 rules, declaratory orders, a document or statement required by

1 federal law or a court, or a document or statement issued in
2 the course of an administrative or judicial proceeding to which
3 the department of education, the state board of education, or
4 the director of the department of education is a party.

5 The bill includes various effective date and applicability
6 date provisions.